

Office of General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20464

MUR #

6848

RECEIVED  
FEDERAL ELECTION  
COMMISSION

2014 JUN 25 PM 1:50

OFFICE OF GENERAL  
COUNSEL

RE: ***Friends of George Demos committee***

Friends of George Demos committee filed reports with the Federal Elections Commission wherein there are loans reported from the candidate himself, George Demos, to the committee totaling \$2,000,000.

Pursuant to 2 U.S.C. §437(g)(a)(1) and 11 C.F.R. §111.4 (2008), please accept this letter as a Complaint against George Demos (Demos) and the ***Friends of George Demos Committee*** for operating in violation of the Federal Election Campaign Act of 1971, as amended (the "Act"), and Federal Election Commission ("FEC" or "Commission") regulations, and more specifically, for the receipt of contributions in excess of the limits set forth in 2 U.S.C. 441a and 11 CFR part 110.

The ***Friends of George Demos Committee*** is the authorized principal campaign committee for Demos, a candidate for the U.S. House of Representatives representing New York's 1st Congressional District. Demos filed an FEC Form 2 Statement of Candidacy on September 25, 2013. The ***Friends of George Demos Committee*** filed an FEC Form 1 Statement of Organization on September 25, 2013 for the 2013-2014 election cycle.

The \$2,000,000 in loans were made in two transactions of \$1,000,000 each. The first is reported on the October 2013 Quarterly report, filed on 10/3/13. The second \$1,000,000 transaction is reported on the year-end report, filed on 1/31/14.

Demos last known employer was the Securities and Exchange Commission (SEC) as an enforcement attorney. He worked there from 2002 until 2009. To my knowledge, he has not been employed since then, other than as a candidate every two years in failed attempts to run for Congress. He has not, to my knowledge, denied the allegations that he is not employed.

According to [chron.com](http://chron.com), the average salary for an SEC Enforcement Attorney starts at \$67,772 at the entry level, with the highest grade capping out at \$202,102.

If Demos worked for all 9 years at the highest salary, he would not have earned \$2,000,000, let alone save it. It is doubtful he was earning the highest salary level anyway.

Demos has previously run for this same office but had other campaign committees filed with the FEC, ***George Demos for Congress*** and ***George Demos for Congress 2012***. He closed both of those committees however, neither had reached \$550,000 in those campaign filings over the course of two campaigns nor did Demos lend either of those committees any money.

One cannot help but wonder how Demos obtained \$2,000,000 to loan his committee just three weeks after terminating his previous campaign committee? He opened his new committee ***Friends of George Demos*** on September 25, 2013, mailed from AKT Development Corp, Sacramento California, his father-in-law, Angelo Tsakopoulos' business. On September 27, 2013 he loaned his ***Friends of George Demos*** committee the first \$1,000,000 followed by another \$1,000,000 on December 30, 2013.

On June 18, 2014, local newspaper The Times Beacon Record reported that Demos' father-in-law, Angelo Tsakopoulos gave the Demos campaign \$2,000,000. Demos' response was that 'the money has nothing to do with the Democrat, a former speaker of the House', referring of course to Nancy Pelosi. *(Coincidentally, Ms. Pelosi's own financial disclosures came under scrutiny after she failed to report business dealings her husband Paul had with Angelo Tsakopoulos back in 2010-2011 whereby the Pelosi's made somewhere between \$5 million and \$25 million from their real estate investment with Angelo Tsakopoulos.)*

On June 18, 2014, another local newspaper out of Southampton, The Independent, also mentions the Demos campaign receiving \$2million from his father-in-law.

On December 12, 2013 Mr. George Demos asked for and was granted a meeting with me as the Brookhaven Town Republican Chairman. I asked my Vice Chair Betty Manzella to attend the meeting. Also present in the building at that time was Dean Murray, who also had an appointment with us that day. We met on Saturday, December 14, 2013.

Mr. Demos wasted no time explaining that he intended to run for Congress and advised us that Lee Zeldin should not run for the office because he (Demos) was bringing a substantial sum of money to this campaign through his father-in-law. He state to myself and Ms. Manzella that his father-in-law Angelo Tsaskopoulous had committed to give him a total of \$2,000,000 to wage a primary election for the Congressional seat and that he would show that money in his FEC report. He went on to state that when he won the race, Mr. Tsaskopoulous would give him additional money for the general election. A full discussion about his father-in-laws ties to the California Democratic party ensued.

Demos had initially had generally acknowledged that he'd gotten his money for the congressional race from his wife's family. However, now he is stating that he loaned his own money into his campaign committee ***Friends of George Demos***.

In light of Mr. Demos' lack of employment coupled with the newspaper articles and statements Demos himself has made, I believe the Federal Elections Commission should investigate whether or not Mr. Demos suddenly obtained \$2,000,000 to lend his campaign committee, and whether this money is actually from his father-in-law but not reported as such in order to circumvent the laws governing contribution limitations to the congressional campaign. This situation is reminiscent of a similar case involving a congressional candidate, Grant Lally, where he also lent his campaign a large amount of money that ultimately was proven to be funneled to him through his family members under the guise of business dealings.

Thank you for your attention to this matter.

Respectfully submitted,

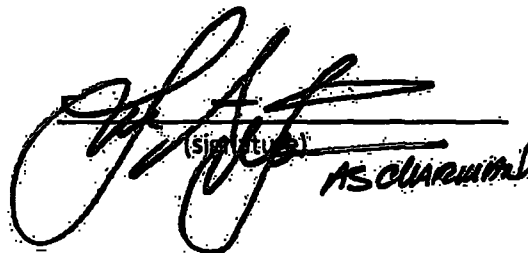
Jesus A. Garcia, Chairman  
Brookhaven Republican Committee

100-444400-1

Upon information and belief, and based upon the facts relayed herein, George Demos, the *Friends of George Demos* committee, and Angelo Tsakopoulos and/or AKT Development Corporation have violated the Federal Election Campaign Act of 1971, as amended, and Federal Election Commission Regulations. Accordingly, we respectfully request that the Commission conduct an immediate investigation into the violations outlined above and impose the maximum penalty under law.

The foregoing is correct and accurate to the best of my knowledge, information and belief.

**JESUS A. GARCIA, CHAIRMAN**  
BROOKHAVEN TOWN REPUBLICAN COMMITTEE  
1980 ROUTE 112, SUITE A  
CORAM, NEW YORK 11727

  
(Signature) AS Chairman

Sworn to and subscribed before me this 20 day of June, 2014.

  
Notary Public

My Commission Expires:

IRENE L. DABRAMO  
NOTARY PUBLIC STATE OF NEW YORK  
LIC. #01DA8080372  
COMMISSION IN SUFFOLK COUNTY  
COMM. EXP. 04/14/2015

## In 1st Congressional District race, candidates battle slings and arrows

Lee Zeldin, George Demos have been busy launching attacks on each other and fighting false information

By Rachel Shapiro

Write The Author

June 18, 2014 | 09:28 AM

If voters can get past the smearing by the two Republican candidates battling for Democratic Rep. Tim Bishop's seat in Congress, they'll see the two men agree on many issues affecting the 1st Congressional District.



Lee Zeldin is running in the June 24 Republican primary election. File photo

Who they are, where they're from

State Sen. Lee Zeldin (R-Shirley), an Iraq War veteran who is now an Army reservist, is running for the seat in Congress after losing the general election to Bishop (D-Southampton) in 2008.

Zeldin's Republican opponent, George Demos, a former attorney for the U.S. Securities and Exchange Commission, ran in the Republican primary for Bishop's seat in 2010 and lost to Randy Altschuler. Demos campaigned for a primary race in 2012, again against Altschuler, but dropped out of the race before the election, citing his impending wedding.

Zeldin, 34, grew up in Shirley and graduated from William Floyd High School in Mastic Beach, SUNY Albany and Albany Law School. He is married and has twin daughters.

Demos, 37, grew up in Manhattan, spending time at a second home on Shelter Island, and graduated from Trinity High School in Manhattan, Columbia University and Fordham Law School.

Demos has lived in Stony Brook since last fall — before that, he lived in Ronkonkoma starting in 2009, and Manhattan and Shelter Island before that.

He is married and has one son.

### Dishonesty in both campaigns

Demos came out swinging in this campaign, attacking Zeldin's vote to pass state budgets because they included federal funding for the Affordable Care Act — also known as Obamacare.

But his campaign has been misleading in the facts about Zeldin's supposed support for Obamacare.

Zeldin, a vocal opponent of the federal health program, was one of many state Senate Republicans who killed a 2012 bill to establish an Obamacare exchange in New York.

"That's the irony in all this," Zeldin said. "I have been the most vocal opponent of Obamacare in Albany."

Gov. Andrew Cuomo issued an executive order to create the New York insurance exchange and the state legislature — the Democrat-controlled Assembly and the Republican-controlled Senate — included federal funding for the exchange in its budgets.

Zeldin's campaign too has been misleading in its words against Demos, calling him a "Pelosi Republican" because his father-in-law, Angelo Tsakopoulos, a wealthy Democrat, has given money to Rep. Nancy Pelosi's campaign and other Democrats' campaigns. Tsakopoulos gave the Demos campaign \$2 million, leading the Zeldin campaign to say that Demos' campaign is funded by money from left-wing California Democrats.



George Demos is running in the June 24 Republican primary election. Photo from Demos campaign

"This is a Republican primary on the East End of Long Island," Zeldin said. "And he is funded by millions of dollars from California Democrats with ties to Nancy Pelosi."

But Demos argues that the money has nothing to do with the Democrat, a former speaker of the House.

"It's laughable that Lee Zeldin has based his entire campaign on the fact that my father-in-law knows and supports Nancy Pelosi," Demos said. "I can't stand Nancy Pelosi, I don't know Nancy Pelosi, I have nothing to do with Nancy Pelosi."

Because of Zeldin voting to pass state budgets with funding for Obamacare, the Demos campaign has labeled him a "liberal."

Zeldin is the Conservative Party's candidate in this race and ran as the Conservative, Republican and Independence parties' candidate in his state Senate win in 2009.

Demos also described himself as a "committed and passionate Conservative."

### **The issues, please**

Both men want to repeal Obamacare; oppose tax increases; and agree economic improvement is needed on Long Island.

Zeldin pointed to his record in the state Senate as an indication of how he would vote in Congress: he

helped repeal the MTA payroll tax for most employers; eliminated the saltwater fishing license fee; and established the Joseph P. Dwyer Veterans PTSD Peer Support Project.

"Many of our veterans feel isolated and alone, and they're not surrounded by other people who understand what they're going through," he said.

With the primary election defeat of Majority Leader Eric Cantor — the only Jewish Republican in the House — Zeldin, also a Jewish Republican, is one of several around the country running for the House of Representatives and would "be an advocate for the state of Israel and a strong foreign policy."

Zeldin believes approving the almost 1,200-mile Keystone XL pipeline project — a fourth phase of the existing pipeline, which transports Canadian oil to America — "is a way to reduce reliance on oil and countries that hate America and our way of life, and have more economic freedom."

He opposes the Common Core Learning Standards, calling on Congress to take responsibility for its creation. The standards were crafted as a direct result of the federal Race to the Top program, which required states to enact such standards to be eligible for funding. That funding came from the Congress-approved American Recovery and Reinvestment Act of 2009 — \$5 billion was given to the secretary of education for programs like Race to the Top.

Demos, discussing high taxes and Obamacare, said, "People are fed up with the fact that the federal government thinks it can solve every problem."

Pointing to the U.S. Department of Veterans Affairs scandal, in which veterans went without medical care at federal facilities, Demos said it's foolish to think that "a government that can't even run a website can actually run a health care system."

He added that the country has an "overreaching federal government that consistently tries to federalize every issue in America and in the end solves nothing. It creates dependency and is stifling economic growth."

The two candidates will square off in the Republican primary on Tuesday, June 24.

**CONTINUED FROM PAGE 8.**

"He's a part time resident moving back and forth between NYC and here," Zeldin stated. "He rented an apartment when he ran the last time and now rents a house in Stony Brook. I went K-12 at William Floyd and my daughter goes to the same."

**"It's obviously a problem," Zeldin said. "Everyone agrees the system is**

"Demos cherry-picked a page out of the budget stating a \$24.3 million expenditure was for an online portal [for Obamacare]. Actually, it's the re-appropriating of a grant. . . The original appropriation of 24.3 is for online Medicare." Zeldin said Demos didn't read it, didn't understand it, or was "lying."

**The stakes are high — whichever candidate takes on Bishop will be heavily backed by the Republican National Committee.**

**Zeldin called the upcoming congressional race a nationally targeted race. The chances are better to defeat him (Bishop): his ethics issues are going to be a real problem.**

**"Liberals are usually proud of their achievements even when**

# **ABOVE ALL FENCE** *"For the Above Average Home"*

**SPRING INTO THESE SALES**

OUR PVC IS 100% VIRGIN VINYL

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

ALUMINUM DOUBLE SIDED  
PVC PRIVACY

## **BIG JOB FENCE SPECIALIST**

PROFESSIONAL DECK

INSTALLATION

POOL COVER

FENCE

100 FT FENCE

114

TOUGH WINTER - FAST REPAIR AND INSURANCE (5-10-15) AVAILABLE

Call Above All Fence for more information

Call Above All Fence for more information

Call Above All Fence for more information

Call Above All Fence for more information

Call Above All Fence for more information

Call Above All Fence for more information

Call Above All Fence for more information

Call Above All Fence for more information

Call Above All Fence for more information

Call Above All Fence for more information

Call Above All Fence for more information

Call Above All Fence for more information

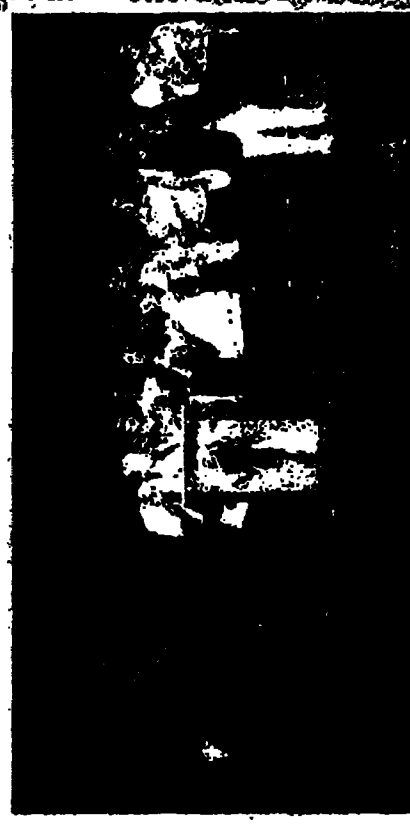
expenditure was for an online per-  
sonal [for Obamacare]. Actually, it's the  
re-appropriation of a grant. The  
original appropriation of 24.3 is for  
online Medicare," Zeldin said. Demos  
didn't read it, didn't understand it,  
or was "lying."  
Campaign financing -- particu-  
larly where Demos's funds come  
from -- resulted in a spirited give  
and take.

Zeldin has repeatedly charged  
the Demos campaign is funded by  
"California Democrats," linking  
Demos to Nancy Pelosi and her  
husband Paul, who is the business  
partner of Angelo Tsakopoulos,  
Demos's father-in-law.

"Out of \$2.25 million you raised,  
2.15 million came from California  
Democrats," Zeldin said, looking  
directly at Demos.

"That's preposterous," Demos  
responded.

But Zeldin said Demos was talk-  
ing about the county sales tax. "My  
opponent tries to be very creative  
-- he's not saying this stuff because  
it's true. The county wanted to in-  
crease its sales tax ... I voted no."



During a special ceremony on Senior Scholarship Night June 14, Riverhead High School  
recognized the seniors who received special recognition and/or scholarships for advancing  
their education.

631-224-7900 631-678-7778

CONTRACTORS & CITY WELCOME AT ALL LOCATIONS  
VISIT OUR WEBSITE AT: [WWW.ABOVEALLFENCE.COM](http://WWW.ABOVEALLFENCE.COM)